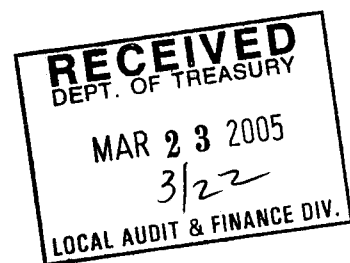


**WEST MICHIGAN SHORELINE REGIONAL
DEVELOPMENT COMMISSION**

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT**

September 30, 2004



Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

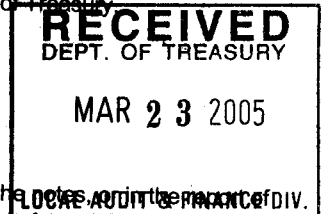
Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Government Name WEST MI SHORELINE REGIONAL DEV. COMM.	County MUSKEGON
Audit Date 9/30/04	Opinion Date 2/3/05	Date Accountant Report Submitted to State: 3/22/05	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the comments and recommendations



You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☒ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			✓
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).	✓		

Certified Public Accountant (Firm Name) HOFFMAN, STEENSMA & PLAMONDON, P.L.C.			
Street Address 221 W. WEBSTER AVENUE, SUITE 502		City MUSKEGON	State MI
Accountant Signature <i>Douglas A. Plamondon, CPA</i>		ZIP 49440	Date 3-21-05

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
West Michigan Shoreline Regional Development Commission
Muskegon, Michigan

We have audited the accompanying financial statements of the governmental activities and the major fund of the West Michigan Shoreline Regional Development Commission as of and for the year ended September 30, 2004 which collectively comprise the commission's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the management of West Michigan Shoreline Regional Development Commission. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of West Michigan Shoreline Regional Development Commission as of September 30, 2004, and the respective changes in the financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in note A to the financial statements, West Michigan Shoreline Regional Development Commission adopted the provisions of Governmental Accounting Standards Board (GASB) Statement 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as amended by GASB 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments Omnibus* and GASB 38, *Certain Financial Statement Note Disclosures*, as of October 1, 2003.

The management's discussion and analysis and the required supplementary information on pages 5 - 9 and pages 26 - 27 respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the West Michigan Shoreline Regional Development Commission's basic financial statements. The accompanying supplemental financial information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of West Michigan Shoreline Regional Development Commission. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2005, on our consideration of West Michigan Shoreline Regional Development Commission's internal control over financial reporting and our tests of its compliance with certain laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Hoffman, Stearns & Plamondon, P.C.

February 3, 2005

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION

Management's Discussion and Analysis

Year Ended September 30, 2004

Our discussion and analysis of West Michigan Shoreline Regional Development Commission's financial performance provides an overview of the commission's financial activities for the year ended September 30, 2004. Please read it in conjunction with the commission's financial statements, which begin on page 10.

The changes in the enclosed audit document have been mandated by the Governmental Accounting Standards Boards (GASB) Statement 34. In the first year of implementation of this standard, the GASB recognizes that prior-year information is not available in a similar format. Therefore, government-wide comparisons will not be available until next year.

Financial Highlights

- The commission's net assets increased \$10,961 (or 8.19%) to \$144,842.
- During the year, the commission's total expenses were \$825,112. Of this amount:
 - \$129,642 (15.71%) was paid by direct charges to local municipalities.
 - \$630,062 (76.36%) was paid by grants from the state and federal governments and contributions from other local sources; and
 - The remaining portion was paid through membership dues.
- The commission's governmental fund reported a fund balance of \$147,070, an increase of \$17,431 over the prior year.
- Total fund revenues were \$832,815, a decrease of \$49,253 (or 5.58%), and total fund expenditures were \$815,384, a decrease of \$74,531 (or 8.38%).

Using this Annual Report

This annual report consists of a series of financial statements. The first two statements are government-wide financial statements that provide both long-term and short-term information about the commission's overall financial status. The remaining statements are fund financial statements that focus on the governmental fund of the commission, reporting commission operations in more detail than the government-wide statements. The governmental fund statements tell how general commission services were financed in the short-term as well as what remains for future spending.

Reporting the Commission as a Whole

Our analysis of the commission as a whole begins on page 6. One of the most important questions asked about the commission's finances is, "Is the commission as a whole better off or worse off as a result of the year's activities?" The statement of net assets and the statement of activities report information about the commission as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION

Management's Discussion and Analysis - Continued

Year Ended September 30, 2004

Reporting the Commission as a Whole (continued)

The two statements mentioned above report the commission's net assets and changes in them. The reader can think of the commission's net assets - the difference between assets and liabilities - as one way to measure the commission's financial health or financial position. Over time, increases or decreases in the commission's net assets are one indicator of whether its financial health is improving or deteriorating. The reader will need to consider other nonfinancial factors, however, to assess the overall financial health of the commission.

Reporting the Commission's Governmental Fund

Our analysis of the commission's major fund begins on page 8. The fund financial statements begin on page 12 and provide detailed information about the governmental fund, not the commission as a whole. The commission currently has only one fund, the general operations fund, which accounts for all of the commission's activities. The general operations fund is a governmental fund type.

- Governmental funds focus on how money flows into and out of this fund and the balances left at year end that are available for spending. This fund is reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the commission's general governmental operations and the basic service it provides. Governmental fund information helps the reader to determine whether there are more or fewer financial resources that can be spent in the near future to finance the commission's services. We describe the relationship (or differences) between governmental activities (reported in the statement of net assets and the statement of activities) and the governmental fund in a reconciliation following the fund financial statements.

The Commission as a Whole

The commission's combined net assets increased from a year ago, from \$133,881 to \$144,842. Our analysis focuses on the net assets and changes in net assets of the commission's governmental activities.

Net assets as of September 30, 2004 are as follows:

		Governmental Activities
Current and other assets	\$	402,787
Capital assets		24,184
Total assets	\$	426,971
Long-term liabilities	\$	26,412
Other liabilities		255,717
Total liabilities	\$	282,129
Net assets		
Invested in capital assets	\$	24,184
Unrestricted		120,658
Total net assets	\$	144,842

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION
Management's Discussion and Analysis - Continued
Year Ended September 30, 2004

The Commission as a Whole (continued)

Changes in net assets as of September 30, 2004 are as follows:

	<u>Governmental Activities</u>
Revenues	
Program revenues	
Charges for services	\$ 129,642
Operating grants and contributions	630,062
General revenues	
Membership dues	76,369
Total revenues	<u>836,073</u>
Expenses	
Governmental activities	
Land use planning	34,624
Housing and community development	4,109
Economic development	72,963
Transportation planning	459,363
Hazard mitigation planning	74,026
General administrations	180,027
Total expenses	<u>825,112</u>
 Changes in net assets	 10,961
 Net assets at beginning of year	 <u>133,881</u>
 Net assets at end of year	 <u>\$ 144,842</u>

Governmental Activities

Program revenues fall into the following categories:

Land use planning - This category includes local contributions for several local land planning projects.

Transportation planning - The Michigan Department of Transportation (MDOT) funds include our annual MPO planning grants, the Areawide Air Quality Improvement Program, The Comprehensive Transportation and Land Use Study for North Central Muskegon County, The Polk Road Corridor Study, the Rural Transit Study, the state Asset Management Program and the Regional Transportation program.

Economic development - This category includes our annual Economic Development Administration (EDA) which was reduced to \$55,628 from the usual \$56,000 for the 2004 calendar year. This category also includes a Regional Industrial Parks and Sites Study grant from the EDA. Because the EDA grant period is a calendar year, the amount shown in the fiscal year 2004 financial statements contains revenue from both the 2003 and 2004 grants.

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION

Management's Discussion and Analysis - Continued

Year Ended September 30, 2004

The Commission as a Whole (continued)

Governmental Activities (continued)

Hazard mitigation - This funding is provided by the Federal Emergency Management Agency (FEMA) and administered by the Michigan State Police Emergency Management Division for the purpose of completing hazard mitigation plans for several local governments.

Financial Analysis of the Commission's Fund

At the end of fiscal year 2004, the governmental fund reported a fund balance of \$147,070 which is \$17,431 more than last year.

Total governmental fund revenues decreased by \$49,253 (or 5.58%) and expenditures decreased by \$74,531 (or 8.38%) over the prior year. These decreases are mostly due to the fact that the commission did not expend significant funds for housing and community development. This function was a large part of the commission's activities in prior years. This change is a result of the commission currently not administering any Community Development Block Grants.

Governmental Fund Budgetary Highlights

The commission approved the fiscal year 2004 budget in September of 2003. Highlights of that budget are as follows:

- The fiscal year 2004 budget contained no Community Development Block Grant (CDBG) funding. CDBG funding has totaled as much as \$500,000 in prior year budgets.
- Despite the lack of CDBG funding, all essential services of the commission were maintained at prior year levels. This was accomplished due to new initiatives such as the Hazard Mitigation Planning program and new local projects.
- The Metropolitan Transportation Planning program (MPO) was expanded to include northern Ottawa County, as stipulated by federal regulations.

Capital Asset and Debt Administration

Capital Assets

At September 30, 2004, the commission had \$24,184 invested in a variety of capital assets including office furniture and equipment, and computer equipment. Additional information on capital assets can be found in notes A6 and C on pages 19 and 21, respectively, of the notes to the financial statements.

Long-Term Compensated Absences

At September 30, 2004 the commission had \$26,412 in long-term compensated absences outstanding. Additional information on long-term compensated absences can be found in notes A7 and D on pages 20 and 22, respectively, of the notes to the financial statements.

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION

Management's Discussion and Analysis - Continued

Year Ended September 30, 2004

Economic Factors and Next Year's Budget

The commission is dedicated to maintaining services at current levels. This will be accomplished by new initiatives that will enable the commission to serve local governments in new and innovative ways.

The commission anticipates continued funding for the Hazard Mitigation Planning and Asset Management programs.

Funding for the MPO program has been increased due to the realignment of the region to include northern Ottawa County.

Contacting the Commission's Financial Management

This financial report is designed to provide users of our financial statements with a general overview of the commission's finances and to demonstrate the commission's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact John Lester, Finance Manager, West Michigan Shoreline Regional Development Commission, 316 Morris Avenue, Suite 340, P.O. Box 387, Muskegon, MI 49443, or call (231) 722-7878.

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION

Statement of Net Assets

September 30, 2004

ASSETS

Cash and cash equivalents (note A5 and B)	\$	212,603
Due from other governmental units		
Billed		184,151
Unbilled		6,033
		402,787
Capital assets, net of depreciation (note A6 and C)		24,184
TOTAL ASSETS	\$	426,971

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$	92,455
Accrued liabilities		15,169
Deferred grant revenue		148,093
		255,717

Long-term liabilities (note A7 and D)

Due within one year		
Compensated absences		2,641
Due in more than one year		
Compensated absences		23,771
Total long-term liabilities		26,412
Total liabilities		282,129

Net assets

Invested in capital assets		24,184
Unrestricted		120,658
Total net assets		144,842

TOTAL LIABILITIES AND NET ASSETS	\$	426,971
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The notes to the financial statements are an integral part of this statement.

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION**Statement of Activities**

Year Ended September 30, 2004

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for	Operating	Revenue and
		Services	Grants and	Changes in
			Contributions	Net Assets
				Governmental
				Activities
Governmental activities				
Land use planning	\$ 34,624	\$ 36,417	\$ -	\$ 1,793
Housing and community development	4,109	652	-	(3,457)
Economic development	72,963	4,733	71,363	3,133
Transportation planning	459,363	86,348	490,132	117,117
Hazard mitigation planning	74,026	1,492	68,567	(3,967)
General administration	180,027	-	-	(180,027)
Total	\$ 825,112	\$ 129,642	\$ 630,062	(65,408)

General revenues

Membership dues	76,369
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Change in net assets	10,961
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Net assets at beginning of year	133,881
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Net assets at end of year	\$ 144,842
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The notes to the financial statements are an integral part of this statement.

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION

Governmental Fund - General Operations

Balance Sheet

September 30, 2004

ASSETS

Cash and cash equivalents (note A5 and B)	\$	212,603
Due from other governmental units		
Billed		184,151
Unbilled		6,033

TOTAL ASSETS	\$	402,787
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LIABILITIES AND FUND BALANCE

Liabilities

Accounts payable	\$	92,455
Accrued liabilities		15,169
Deferred grant revenue (note A3)		148,093
Total liabilities		255,717

Fund balance

Unreserved		
Undesignated		147,070

TOTAL LIABILITIES AND FUND BALANCE	\$	402,787
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The notes to the financial statements are an integral part of this statement.

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION
Reconciliation of Total Governmental Fund Balance to
Net Assets of Governmental Activities
September 30, 2004

Total governmental fund balance \$ 147,070

Amounts reported for governmental activities in the statement
of net assets are different because:

Capital assets used in governmental activities are not
financial resources and therefore are not reported
in the governmental fund.

Governmental capital assets	\$ 76,330	
Accumulated depreciation	<u>(52,146)</u>	24,184

Long-term liabilities, including compensated absences,
are not due and payable in the current period and therefore
are not reported in the governmental fund. (26,412)

Net assets of governmental activities \$ 144,842

The notes to the financial statements are an integral part of this statement.

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION
Governmental Fund - General Operations
Statement of Revenues, Expenditures and Changes in Fund Balance
Year Ended September 30, 2004

Revenues	
Federal grants	\$ 517,269
State grants	112,793
Local funds	202,753
Total revenues	832,815
Expenditures	
Current	
Salaries	323,218
Fringe benefits	163,648
Consultants and contractors	103,936
Travel	5,526
Supplies and other	35,247
Indirect costs (note A8)	173,757
Capital outlay	
Direct	7,552
Indirect	2,500
Total expenditures	815,384
Excess of revenues over expenditures	17,431
Fund balance at beginning of year	129,639
Fund balance at end of year	\$ 147,070

The notes to the financial statements are an integral part of this statement.

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balance of the Governmental Fund to the Statement of Activities
Year Ended September 30, 2004

Net change in fund balance - governmental fund	\$	17,431
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Amounts reported for governmental activities in the statement
of activities are different because:

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those
assets is depreciated over their estimated useful lives.

Expenditures for capital assets	\$	10,052	
Current year depreciation		<u>(11,103)</u>	(1,051)

Some expenses in the statement of activities, such as
changes in compensated absences, do not require the
use of current financial resources and therefore are not
reported as expenditures in the governmental fund.

			<u>(5,419)</u>
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Change in net assets of governmental activities	\$	10,961
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The notes to the financial statements are an integral part of this statement.

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION

Notes to the Financial Statements

September 30, 2004

Note A - Summary of Significant Accounting Policies

The accounting policies of the West Michigan Shoreline Regional Development Commission (the "commission") conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, the GASB prevails. The more significant accounting policies establishing GAAP and used by the commission are discussed below.

The commission adopted GASB 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as amended by GASB 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments Omnibus* as of October 1, 2003. Certain of the significant changes in GASB 34 include the following:

- A management's discussion and analysis (MD&A) section providing an analysis of the commission's overall financial position and results of operations.
- Government-wide financial statements prepared using full accrual accounting for all of the commission's activities including capital assets.
- A change in the fund financial statements to focus on major funds.

The commission also adopted GASB 38, *Certain Financial Statement Note Disclosures*, as of October 1, 2003. GASB 38 modifies note disclosures required by GAAP. The adoption of this change in accounting principles had no effect on the financial condition or results of operations of the commission's fund as of and for the year ended September 30, 2004, but did change some of the disclosures required for the notes to the financial statements.

1. Financial Reporting Entity

West Michigan Shoreline Regional Development Commission is a voluntary association of the counties of Muskegon, Lake, Newaygo, Mason and Oceana. The commission was organized in 1970 for the purpose of coordinating and implementing various area wide planning functions. The operations of the commission are financed primarily by federal and state grants and membership contributions. The commission does not have the power to levy taxes and, accordingly, its level of operations is dependent upon the amount of voluntary membership contributions received which can be used for local matching shares of grant participation programs.

As required by generally accepted accounting principles, Governmental Accounting Standards Board (GASB) Statement 14, the financial statements present the commission (the primary government) and its component units, entities for which the commission is considered to be financially accountable. Component units are included in the reporting entity when there are significant operational and financial relationships with the organization. Based upon the application of these criteria, there were no component units required to be included as part of the financial statements of the commission.

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION

Notes to the Financial Statements - Continued

September 30, 2004

Note A - Summary of Significant Accounting Policies (continued)

2. Basis of Accounting - Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the commission as a whole. They include all funds of the reporting entity. These statements distinguish between activities that are governmental and those that are considered business-type activities. Currently, all commission activity is considered governmental.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This approach differs from the manner in which the governmental fund financial statements are prepared. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between expenses, both direct and indirect, and program revenues for each governmental program. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the commission.

Net assets should be reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available, it is the commission's policy to use restricted resources first, then unrestricted resources as they are needed.

3. Basis of Accounting - Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues and expenditures. Funds are organized into three major categories: governmental, proprietary and fiduciary. The commission has only one fund, the special revenue fund, which is a governmental fund. The focus of the governmental financial statements is on major funds rather than reporting funds by type. The commission's only fund is a major fund.

The commission reports the following major fund:

Special Revenue Fund

General Operations Fund - To control the expenditures of various federal, state and local monies distributed to the commission, to be expended according to various grant and professional service agreements.

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION

Notes to the Financial Statements - Continued

September 30, 2004

Note A - Summary of Significant Accounting Policies (continued)

3. Basis of Accounting - Fund Financial Statements (continued)

The following is a description of the governmental category:

Governmental Fund

The governmental fund is accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis revenues are recognized in the accounting period in which they become susceptible to accrual (i.e., when they become both measurable and available). Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

Revenue Recognition

"Measurable" means the amount of the transaction can be determined and "available" means collectable within the current period or soon enough thereafter to be used to pay liabilities of the current period. The commission considers membership dues, interest revenue and charges for services as susceptible to accrual if the amount was due on or before fiscal year end and collection was within sixty days after year end. Reimbursements due for expenditure-driven grants are accrued as revenue at the time the expenditures are made, or when received in advance, deferred until expenditures are made. All other revenue is recognized as payments are received.

Expenditure Recognition

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal and interest on general long-term debt, which has not matured, are recognized when paid. Allocation of costs, such as depreciation and amortization, are not recognized in the governmental fund.

4. Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with generally accepted accounting principles. Budgetary control is exercised at the total expenditure or "fund" level in the special revenue fund. Budgets are also adopted on a project by project basis as a management tool. The commission follows these procedures in establishing the budgetary data reflected in the financial statements:

- A budget is created by the Executive Director for each grant before the money is spent. The budget is approved by the commission before the grant is commenced.
- Budget revisions are only done if the grant itself is changed.
- Budgets as presented are prepared on the modified accrual basis of accounting.
- All budgetary appropriations lapse at the conclusion of the grant.

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION

Notes to the Financial Statements - Continued

September 30, 2004

Note A - Summary of Significant Accounting Policies (continued)

5. Deposits

Statutes authorize the commission to deposit and invest in the following:

- In bonds, securities and other obligations of the United States or agency or instrumentality of the United States.
- In certificates of deposit, saving accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation, a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation or a credit union which is insured by the National Credit Union Administration.
- In commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase.
- In United States government or federal agency obligation repurchase agreements.
- In banker's acceptances of United States banks.
- In obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than one standard rating service.
- In mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

6. Capital Assets and Depreciation

Capital assets, which include office furniture and equipment are reported in the government-wide financial statements. Capital assets are defined by the commission as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historic cost or estimated historical cost of purchase or construction. Contributed assets are reported at estimated fair market value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation is computed on the straight-line method for all capital assets over the estimated useful lives of 7 years for general office furniture and equipment and 5 years for computers and peripheral equipment.

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION

Notes to the Financial Statements - Continued

September 30, 2004

Note A - Summary of Significant Accounting Policies (continued)

7. Compensated Absences

Commission employees are granted vacation and sick leave. Vacation time is fully vested. Sick leave pay does not vest with the employee and is payable only in the event of absences due to an illness. The commission follows the accounting and reporting principles outlined in GASB 16 with regards to employees vacation and sick leave.

The liability for these compensated absences is recorded as long-term debt in the government-wide statements. In the fund financial statements, a liability for these amounts is reported in the governmental fund only for employee terminations as of year end.

8. Indirect Cost Allocation

Indirect costs are distributed to the programs pursuant to a cost allocation plan as required by OMB A-87. Indirect costs are distributed based on direct payroll charged to programs.

The commission submits a request for a provisional rate to its cognizant agency at the beginning of each year. This rate is required to be audited. The comparison of the provisional and audited rate for the year ended September 30, 2004, is as follows:

	<u>Provisional Rate</u>	<u>Audited Results</u>
Fringe benefit cost	54.81%	51.01%
Indirect cost	35.98%	36.20%

Computation of the indirect cost rate is presented on pages 67 and 68 of this report.

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION

Notes to the Financial Statements - Continued

September 30, 2004

Note B - Cash

Deposits

At year-end, the carrying amount of the commission's bank deposits was \$212,603 and the bank balance was \$215,203. Of the bank balance, \$169,918 was covered by federal depository insurance and \$45,285 was uninsured and uncollateralized.

The commission's deposits are categorized below according to level of credit risk:

- Category 1 represents the commission's insured or collateralized deposits with securities held by the commission or by its agent in the commission's name.
- Category 2 represents the commission's collateralized deposits with securities held by the pledging financial institution's trust department or agent in the commission's name.
- Category 3 represents the commission's uncollateralized deposits including any bank balances that are collateralized with securities held by the pledging financial institutions, or by its trust department or agent but not in the commission's name.

	Category			Bank	Carrying
	1	2	3	Balance	Amount
Demand deposits	\$ 169,918	\$ -	\$ 45,285	\$ 215,203	\$ 212,603

Note C - Capital Assets

Capital asset activity for the year ended September 30, 2004 was as follows:

	Balance October 1, 2003	Additions	Deletions	Balance September 30, 2004
Governmental activities				
Capital assets being depreciated				
Computer equipment	\$ 26,373	\$ 10,052	\$ (7,774)	\$ 28,651
Office furniture and equipment	48,989	-	(1,310)	47,679
Total capital assets being depreciated	75,362	10,052	(9,084)	76,330
Less accumulated depreciation				
Computer equipment	20,833	4,922	(7,774)	17,981
Office furniture and equipment	29,294	6,181	(1,310)	34,165
Total accumulated depreciation	50,127	11,103	(9,084)	52,146
Total net capital assets	\$ 25,235	\$ (1,051)	\$ -	\$ 24,184

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION

Notes to the Financial Statements - Continued

September 30, 2004

Note C - Capital Assets (continued)

Depreciation was charged to programs of the commission as follows:

Land use planning	\$	466
Housing and community development		55
Economic development		982
Transportation planning		6,182
Hazard mitigation planning		996
General administration		2,422
Total depreciation expense	\$	11,103

Note D - Long-Term Debt

The following is a summary of long-term compensated absences transactions for the year ended September 30, 2004:

	Long-Term Compensated Absences
Balance at beginning of period	\$ 20,993
Additions	5,419
Balance at end of period	\$ 26,412

Note E - Operating Lease Commitments

The commission conducts its operations in an office under a lease that expires in July 2007. Rent expense charged to operations amounted to \$47,404 for the year ended September 30, 2004.

The commission leases an automobile under a lease which expires in February 2006. Lease payments charged to operations, under this lease, totaled \$4,161 for the year ended September 30, 2004.

The commission also leases various office equipment under leases which expire through June 2007. Lease payments charged to operations, under these leases, totaled \$8,084 for the year ended September 30, 2004.

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION

Notes to the Financial Statements - Continued

September 30, 2004

Note E - Operating Lease Commitments (continued)

Minimum future lease commitments are as follows:

Years ending September 30,	
2005	\$ 55,800
2006	57,500
2007	44,000
	<u>\$ 157,300</u>

Note F - Defined Benefit Pension Plan

Description of Plan and Plan Assets

The commission is in an agent multiple-employer defined benefit pension plan with the Municipal Employees' Retirement System (MERS). The system provides the following provisions: normal retirement, deferred retirement, service retirement allowance, disability retirement allowance, non-duty and duty death allowances and post-retirement adjustments to plan members and their beneficiaries. The most recent period for which actuarial data was available was for the year ended December 31, 2003.

MERS was organized pursuant to Section 12a of Act 156, Public Acts of 1851 (MSA 5.333(a); MCLA 46.12(a)), as amended, State of Michigan. MERS is regulated under Act 427 of the Public Acts of 1984, sections of which have been approved by the State Pension Commission. MERS issues a publicly available financial report that includes financial statements and required supplemental information for the retirement system. That report may be obtained by writing to Municipal Employees Retirement System of Michigan, 447 Canal Road, Lansing, MI 48917-9755.

Funding Policy

Plan members are not required to contribute to the plan. The commission is required to contribute at an actuarially determined rate; the current rate is 0% of annual covered payroll. The contribution requirements of plan members and the commission are established and may be amended by MERS.

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION

Notes to the Financial Statements - Continued

September 30, 2004

Note F - Defined Benefit Pension Plan (continued)

Annual Pension Cost

For the year ended September 30, 2004, the commission's contributions were none in accordance with contribution requirements determined by an actuarial valuation of the plan as of December 31, 2003. The employer contribution rate has been determined using the entry age normal cost funding method. Under the entry age normal cost funding method, the total employer contribution is comprised of the normal cost. The employer normal cost is, for each employee, the level percentage of payroll contribution (from entry age to retirement) required to accumulate sufficient assets at the member's retirement to pay for his projected benefit. Significant actuarial assumptions used included (a) 8.0% long-term net investment rate of return, (b) projected salary increases ranging from 0.00% to 4.16% per year and (c) 4.50% per year cost-of-living adjustments. The actuarial value of MERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period.

Trend Information

Fiscal Year Ended September 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2001	\$ -	- %	\$ -
2002	-	-	-
2003	-	-	-

Note G - Risk Management

The commission is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The commission manages its liability and property risk by participating in Michigan Municipal Risk Management Authority (MMRMA), a public entity risk pool providing property and liability coverage to its participating members. The commission pays an annual premium to MMRMA for its insurance coverage. The MMRMA is self-sustaining through member premiums and provides, subject to certain deductibles, occurrence-based casualty coverage for each incident and occurrence-based property coverage to its members by internally assuring certain risks and reinsuring risks through commercial companies. Various deductibles are maintained to place the responsibility for small charges with the insured. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

The commission carries commercial insurance for workers' compensation and employee health and accident insurances. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

REQUIRED SUPPLEMENTARY INFORMATION

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION
Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Year Ended September 30, 2004

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Positive (Negative)
Revenues				
Federal grants	\$ 589,789	\$ 589,789	\$ 517,269	\$ (72,520)
State grants	123,044	123,044	112,793	(10,251)
Local funds	220,523	220,523	202,753	(17,770)
Total revenues	933,356	933,356	832,815	(100,541)
Expenditures				
Current				
Salaries	335,372	335,372	323,218	12,154
Fringe benefits	188,170	188,170	163,648	24,522
Consultants and contractors	134,861	134,861	103,936	30,925
Travel	21,494	21,494	5,526	15,968
Supplies and other	49,786	49,786	35,247	14,539
Indirect costs	193,618	193,618	173,757	19,861
Capital outlay				
Direct	7,552	7,552	7,552	-
Indirect	2,503	2,503	2,500	3
Total expenditures	933,356	933,356	815,384	117,972
Excess of revenues over expenditures	-	-	17,431	17,431
Fund balance at beginning of year	129,639	129,639	129,639	-
Fund balance at end of year	\$ 129,639	\$ 129,639	\$ 147,070	\$ 17,431

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION**Schedule of Funding Progress****Municipal Employees Retirement Systems of Michigan****September 30, 2004**

The information presented in the required supplementary schedule was determined as part of the actuarial valuation at the dates indicated.

<u>Schedule of Funding Progress</u>						
Actuarial	Actuarial	Actuarial				UAAL as a
Valuation	Value of	Accrued	Overfunded	Funded	Covered	Percentage
Date	Assets	Liability (AAL)	AAL (UAAL)	Ratio	Payroll	of Covered
December 31,	(a)	Entry Age	(a-b)	(a/b)	(c)	Payroll
		(b)				((b-a)/c)
2001	\$ 2,502,550	\$ 1,532,976	\$ 969,574	163%	\$ 377,217	-
2002	2,592,617	1,606,836	985,781	161%	381,580	-
2003	2,801,399	1,773,365	1,028,034	158%	398,144	-

SUPPLEMENTAL FINANCIAL INFORMATION

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION**Special Revenue Fund****Combining Cumulative Statement of Revenues and Expenditures****Year Ended September 30, 2004**

	Totals	1801 West Michigan Information Center	1939 Michigan Association of Regions	1957 Muskegon Areawide Plan
Revenues				
Federal grants	\$ 761,879	\$ -	\$ -	\$ 96,178
State funds	152,511	-	-	10,219
Local funds	377,994	49	2,118	113,565
Total revenues	\$ 1,292,384	\$ 49	\$ 2,118	\$ 219,962
Expenditures				
Current				
Salaries	\$ 435,415	\$ -	\$ 28	\$ 25,541
Fringe benefits	215,847	-	14	12,556
	651,262	-	42	38,097
Consultants and contractors	306,490	-	-	146,691
Travel	7,551	-	59	177
Supplies and other	50,511	49	2,001	17,815
Indirect costs	249,087	-	16	17,175
Capital outlay				
Direct	7,552	-	-	-
Indirect	2,500	-	-	7
Total expenditures	\$ 1,274,953	\$ 49	\$ 2,118	\$ 219,962

1959 Michigan Association of Regions Secretariat	1978 Whitehall Township Comprehensive Plan	1979 Lake Michigan Academy	1980 Walkerville Recreation Plan	1982 Regional Green Infrastructure	2172 Muskegon County Home Repair
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
370	8,931	12,229	525	1,991	13,036
\$ 370	\$ 8,931	\$ 12,229	\$ 525	\$ 1,991	\$ 13,036
\$ -	\$ 1,165	\$ 3,914	\$ 220	\$ -	\$ 1,156
-	530	1,881	111	-	598
-	1,695	5,795	331	-	1,754
-	-	-	-	-	10,500
356	27	1,036	74	9	-
14	118	3,003	-	1,982	782
-	791	2,380	118	-	-
-	6,300	-	-	-	-
-	-	15	2	-	-
\$ 370	\$ 8,931	\$ 12,229	\$ 525	\$ 1,991	\$ 13,036

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION**Special Revenue Fund****Combining Cumulative Statement of Revenues and Expenditures - Continued****Year Ended September 30, 2004**

	2173 Muskegon County Home Repair	2174 Muskegon County Home Repair	2175 Muskegon County Home Repair
Revenues			
Federal grants	\$ -	\$ -	\$ -
State funds	-	-	-
Local funds	13,515	1,662	9,733
Total revenues	\$ 13,515	\$ 1,662	\$ 9,733
Expenditures			
Current			
Salaries	\$ 1,197	\$ 146	\$ 863
Fringe benefits	619	77	446
	1,816	223	1,309
Consultants and contractors	10,889	1,340	7,840
Travel	-	-	-
Supplies and other	-	-	-
Indirect costs	810	99	584
Capital outlay			
Direct	-	-	-
Indirect	-	-	-
Total expenditures	\$ 13,515	\$ 1,662	\$ 9,733

2177 Muskegon County Home Repair	2180 Muskegon County Home Repair	2238 Housing and Community Development	5134 Economic Development Program	5135 Regional Industrial Parks and Sites Study	5136 Economic Development Program
\$ -	\$ -	\$ -	\$ 54,285	\$ 70,000	\$ 41,281
-	-	-	-	-	-
4,947	325	5,376	18,096	10,000	13,760
\$ 4,947	\$ 325	\$ 5,376	\$ 72,381	\$ 80,000	\$ 55,041
\$ 537	\$ -	\$ 2,493	\$ 33,903	\$ 37,193	\$ 25,906
278	-	1,262	16,316	17,065	13,116
815	-	3,755	50,219	54,258	39,022
3,768	325	-	-	-	-
-	-	-	125	312	88
-	-	262	1,333	538	1,804
364	-	1,340	20,570	24,872	13,927
-	-	-	-	-	-
-	-	19	134	20	200
\$ 4,947	\$ 325	\$ 5,376	\$ 72,381	\$ 80,000	\$ 55,041

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION**Special Revenue Fund****Combining Cumulative Statement of Revenues and Expenditures - Continued****Year Ended September 30, 2004**

	6314	6336	6337
	Area-Wide	Comprehensive	Polk Road
	Air Quality	Transportation	Corridor
	Improvement	and Land	Corridor
	Program	Use Study	Study
Revenues			
Federal grants	\$ 88,554	\$ 56,520	\$ 6,800
State funds	-	14,130	-
Local funds	22,138	-	1,700
Total revenues	\$ 110,692	\$ 70,650	\$ 8,500
Expenditures			
Current			
Salaries	\$ 49,091	\$ 14,770	-
Fringe benefits	24,606	7,432	-
	73,697	22,202	-
Consultants and contractors	-	39,850	8,500
Travel	761	12	-
Supplies and other	9,464	411	-
Indirect costs	26,390	8,068	-
Capital outlay			
Direct	-	-	-
Indirect	380	107	-
Total expenditures	\$ 110,692	\$ 70,650	\$ 8,500

6338 Rural Transit Study	6339 Asset Management Program	6341 Metropolitan Transportation Program Management	6342 Metropolitan Transportation Data Surveillance	6343 Metropolitan Area Transportation Planning	6344 Transit Planning
\$ - 60,000 1,286	\$ - 30,162 -	\$ 21,343 - 4,767	\$ 53,096 - 11,858	\$ 133,096 - 39,675	\$ 19,835 - 8,155
\$ 61,286	\$ 30,162	\$ 26,110	\$ 64,954	\$ 172,771	\$ 27,990
\$ 6,557 3,320 9,877 47,259 332 243 3,524 - 51	\$ 12,912 6,537 19,449 3,228 242 202 6,941 - 100	\$ 11,874 6,262 18,136 - 878 621 6,383 - 92	\$ 31,488 15,943 47,431 - 134 218 16,927 - 244	\$ 79,735 40,372 120,107 - 1,575 6,355 42,865 1,252 617	\$ 13,509 6,840 20,349 - - 275 7,262 - 104
\$ 61,286	\$ 30,162	\$ 26,110	\$ 64,954	\$ 172,771	\$ 27,990

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION
Special Revenue Fund
Combining Cumulative Statement of Revenues and Expenditures - Continued
Year Ended September 30, 2004

	6346	7001	
	Regional	Hazard	Project
	Transportation	Mitigation	Administration
	FEMA-1346-DR-MI	Plan	Fees
Revenues			
Federal grants	\$ -	\$ 120,891	\$ -
State funds	38,000	-	-
Local funds	458	40,298	17,431
Total revenues	\$ 38,458	\$ 161,189	\$ 17,431
Expenditures			
Current			
Salaries	\$ 18,039	\$ 63,178	\$ -
Fringe benefits	9,133	30,533	-
	27,172	93,711	-
Consultants and contractors	-	26,300	-
Travel	663	691	-
Supplies and other	786	2,235	-
Indirect costs	9,697	37,984	-
Capital outlay			
Direct	-	-	-
Indirect	140	268	-
Total expenditures	\$ 38,458	\$ 161,189	\$ -

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION**Special Revenue Fund****Combining Statement of Revenues and Expenditures - Current Year****Year Ended September 30, 2004**

	Totals	1801 West Michigan Information Center	1900 Local Government Services
Revenues			
Federal grants	\$ 517,269	\$ -	\$ -
State funds	112,793	-	-
Local funds	202,753	49	2,118
Total revenues	\$ 832,815	\$ 49	\$ 2,118
Expenditures			
Current			
Salaries	\$ 323,218	\$ -	\$ 28
Fringe benefits	163,648	-	14
	486,866	-	42
Consultants and contractors	103,936	-	-
Travel	5,526	-	59
Supplies and other	35,247	49	2,001
Indirect costs	173,757	-	16
Capital outlay			
Direct	7,552	-	-
Indirect	2,500	-	-
Total expenditures	\$ 815,384	\$ 49	\$ 2,118

1957 Muskegon Areawide Plan	1959 Michigan Association of Regions Secretariat	1978 Whitehall Township Comprehensive Plan	1979 Lake Michigan Academy	1980 Walkerville Recreation Plan	1982 Regional Green Infrastructure
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
23,790	370	6,300	7,000	525	1,991
\$ 23,790	\$ 370	\$ 6,300	\$ 7,000	\$ 525	\$ 1,991
\$ 968	\$ -	\$ -	\$ 1,959	\$ 220	\$ -
490	-	-	991	111	-
1,458	-	-	2,950	331	-
15,513	-	-	-	-	-
-	356	-	34	74	9
6,291	14	-	2,948	-	1,982
521	-	-	1,053	118	-
-	-	6,300	-	-	-
7	-	-	15	2	-
\$ 23,790	\$ 370	\$ 6,300	\$ 7,000	\$ 525	\$ 1,991

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION**Special Revenue Fund****Combining Statement of Revenues and Expenditures - Current Year - Continued****Year Ended September 30, 2004**

	2238		5134		5135	
	Housing		Economic		Regional	
	and		Development		Industrial	
	Community		Program		Parks and	
	Development				Sites Study	
Revenues						
Federal grants	\$	-	\$	26,904	\$	3,178
State funds		-		-		-
Local funds		5,376		8,969		2,180
Total revenues						
	\$	5,376	\$	35,873	\$	5,358
Expenditures						
Current						
Salaries	\$	2,493	\$	17,281	\$	2,612
Fringe benefits		1,262		8,749		1,322
		3,755		26,030		3,934
Consultants and contractors		-		-		-
Travel		-		62		-
Supplies and other		262		357		-
Indirect costs		1,340		9,290		1,404
Capital outlay						
Direct		-		-		-
Indirect		19		134		20
Total expenditures						
	\$	5,376	\$	35,873	\$	5,358

5136 Economic Development Program	6314 Area-Wide Air Quality Improvement Program	6336 Comprehensive Transportation and Land Use Study	6337 Polk Road Corridor Study	6338 Rural Transit Study	6339 Asset Management Program
\$ 41,281	\$ 88,554	\$ 54,615	\$ 6,800	\$ -	\$ -
-	-	14,104	-	30,527	30,162
13,760	22,138	-	1,700	1,286	-
\$ 55,041	\$ 110,692	\$ 68,719	\$ 8,500	\$ 31,813	\$ 30,162
\$ 25,906	\$ 49,091	\$ 13,867	\$ -	\$ 6,557	\$ 12,912
13,116	24,606	7,021	-	3,320	6,537
39,022	73,697	20,888	-	9,877	19,449
-	-	39,850	8,500	18,120	3,228
88	761	12	-	188	242
1,804	9,464	407	-	53	202
13,927	26,390	7,455	-	3,524	6,941
-	-	-	-	-	-
200	380	107	-	51	100
\$ 55,041	\$ 110,692	\$ 68,719	\$ 8,500	\$ 31,813	\$ 30,162

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION**Special Revenue Fund****Combining Statement of Revenues and Expenditures - Current Year - Continued****Year Ended September 30, 2004**

	6341	6342	6343
	Metropolitan	Metropolitan	Metropolitan
	Transportation	Transportation	Area
	Program	Data	Transportation
	Management	Surveillance	Planning
Revenues			
Federal grants	\$ 21,343	\$ 53,096	\$ 133,096
State funds	-	-	-
Local funds	4,767	11,858	39,675
Total revenues	\$ 26,110	\$ 64,954	\$ 172,771
Expenditures			
Current			
Salaries	\$ 11,874	\$ 31,488	\$ 79,735
Fringe benefits	6,262	15,943	40,372
	18,136	47,431	120,107
Consultants and contractors	-	-	-
Travel	878	134	1,575
Supplies and other	621	218	6,355
Indirect costs	6,383	16,927	42,865
Capital outlay			
Direct	-	-	1,252
Indirect	92	244	617
Total expenditures	\$ 26,110	\$ 64,954	\$ 172,771

7001				
Hazard				
6344	6346	Mitigation	Project	
Transit	Regional	Plan	Administration	
Planning	Transportation	FEMA-1346-DR-MI	Fees	
\$ 19,835	\$ -	\$ 68,567	\$ -	
-	38,000	-	-	
8,155	458	22,857	17,431	
<u>\$ 27,990</u>	<u>\$ 38,458</u>	<u>\$ 91,424</u>	<u>\$ 17,431</u>	
\$ 13,509	\$ 18,039	\$ 34,679	\$ -	
6,840	9,133	17,559	-	
20,349	27,172	52,238	-	
-	-	18,725	-	
-	663	391	-	
275	786	1,158	-	
7,262	9,697	18,644	-	
-	-	-	-	
104	140	268	-	
<u>\$ 27,990</u>	<u>\$ 38,458</u>	<u>\$ 91,424</u>	<u>\$ -</u>	

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION**Special Revenue Fund****West Michigan Information Center - 1801****Statement of Revenues and Expenditures - Budget and Actual****Year Ended September 30, 2004**

	Amended Budget	Actual
Revenues		
Local funds	\$ 100	\$ 49
Expenditures		
Salaries	\$ 13	\$ -
Fringe benefits	7	-
	20	-
Travel	8	-
Supplies and other	64	49
Indirect costs	8	-
Total expenditures	\$ 100	\$ 49

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION
Special Revenue Fund
Michigan Association of Regions - 1939
Statement of Revenues and Expenditures - Budget and Actual
Year Ended September 30, 2004

	Amended Budget	Actual
Revenues		
Local funds	\$ 4,000	\$ 2,118
Expenditures		
Salaries	\$ 1,625	\$ 28
Fringe benefits	879	14
	2,504	42
Travel	156	59
Supplies and other	295	2,001
Indirect costs	1,045	16
Total expenditures	\$ 4,000	\$ 2,118

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION**Special Revenue Fund****Muskegon Areawide Plan - 1957****Statement of Revenues and Expenditures - Budget and Actual****Year Ended September 30, 2004**

	Amended Budget	Cumulative to September 30, 2003	Current Year Activity	Cumulative to September 30, 2004
Revenues				
Federal grants	\$ 114,900	\$ 96,178	\$ -	\$ 96,178
State funds	10,000	10,219	-	10,219
Local funds	107,338	89,775	23,790	113,565
Total revenues	\$ 232,238	\$ 196,172	\$ 23,790	\$ 219,962
Expenditures				
Current				
Salaries	\$ 25,550	\$ 24,573	\$ 968	\$ 25,541
Fringe benefits	12,500	12,066	490	12,556
	38,050	36,639	1,458	38,097
Consultants and contractors	168,030	131,178	15,513	146,691
Travel	200	177	-	177
Supplies and other	8,758	11,524	6,291	17,815
Indirect costs	17,190	16,654	521	17,175
Capital outlay	10	-	7	7
Total expenditures	\$ 232,238	\$ 196,172	\$ 23,790	\$ 219,962

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION
Special Revenue Fund
Muskegon Association of Regions Secretariat - 1959
Statement of Revenues and Expenditures - Budget and Actual
Year Ended September 30, 2004

	Amended Budget	Actual
Revenues		
Local funds	\$ 500	\$ 370
Expenditures		
Travel	400	356
Supplies and other	100	14
Total expenditures	\$ 500	\$ 370

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION**Special Revenue Fund****Whitehall Township Comprehensive Plan - 1978****Statement of Revenues and Expenditures - Budget and Actual****Year Ended September 30, 2004**

	Amended Budget	Cumulative to September 30, 2003	Current Year Activity	Cumulative to September 30, 2004
Revenues				
Local funds	\$ 10,000	\$ 2,631	\$ 6,300	\$ 8,931
Expenditures				
Current				
Salaries	\$ 1,200	\$ 1,165	-	\$ 1,165
Fringe benefits	550	530	-	530
	1,750	1,695	-	1,695
Travel	50	27	-	27
Supplies and other	1,100	118	-	118
Indirect costs	800	791	-	791
Capital outlay	6,300	-	6,300	6,300
Total expenditures	\$ 10,000	\$ 2,631	\$ 6,300	\$ 8,931

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION**Special Revenue Fund****Lake Michigan Academy - 1979****Statement of Revenues and Expenditures - Budget and Actual****Year Ended September 30, 2004**

	Amended Budget	Cumulative to September 30, 2003	Current Year Activity	Cumulative to September 30, 2004
Revenues				
Local funds	\$ 12,000	\$ 5,229	\$ 7,000	\$ 12,229
Expenditures				
Current				
Salaries	\$ 1,623	\$ 1,955	\$ 1,959	\$ 3,914
Fringe benefits	890	890	991	1,881
	2,513	2,845	2,950	5,795
Travel	1,200	1,002	34	1,036
Supplies and other	7,383	55	2,948	3,003
Indirect costs	889	1,327	1,053	2,380
Capital outlay	15	-	15	15
Total expenditures	\$ 12,000	\$ 5,229	\$ 7,000	\$ 12,229

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION**Special Revenue Fund****Walkerville Recreation Plan - 1980****Statement of Revenues and Expenditures - Budget and Actual****Year Ended September 30, 2004**

	Amended Budget	Actual
Revenues		
Local funds	\$ 4,000	\$ 525
Expenditures		
Current		
Salaries	\$ 1,628	\$ 220
Fringe benefits	880	111
	2,508	331
Travel	90	74
Supplies and other	355	-
Indirect costs	1,045	118
Capital outlay	2	2
Total expenditures	\$ 4,000	\$ 525

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION

Special Revenue Fund

Regional Green Infrastructure - 1982

Statement of Revenues and Expenditures - Budget and Actual

Year Ended September 30, 2004

	Amended Budget	Actual
Revenues		
Local funds	\$ 10,000	\$ 1,991
Expenditures		
Salaries	\$ 3,460	\$ -
Fringe benefits	1,870	-
	5,330	-
Travel	191	9
Supplies and other	2,254	1,982
Indirect costs	2,225	-
Total expenditures	\$ 10,000	\$ 1,991

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION**Special Revenue Fund****Muskegon County Home Repair - Huntley - 2172****Statement of Revenues and Expenditures - Budget and Actual****Year Ended September 30, 2004**

	Amended Budget	Cumulative September 30, 2003	Current Year Activity	Cumulative to September 30, 2004
Revenues				
Local funds	\$ 13,125	\$ 13,036	\$ -	\$ 13,036
Expenditures				
Salaries	\$ 1,202	\$ 1,156	\$ -	\$ 1,156
Fringe benefits	517	598	-	598
	1,719	1,754	-	1,754
Consultants and contractors	10,500	10,500	-	10,500
Travel	68	-	-	-
Supplies and other	127	782	-	782
Indirect costs	711	-	-	-
Total expenditures	\$ 13,125	\$ 13,036	\$ -	\$ 13,036

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION**Special Revenue Fund****Muskegon County Home Repair - Sluyter - 2173****Statement of Revenues and Expenditures - Budget and Actual****Year Ended September 30, 2004**

	Amended Budget	Cumulative September 30, 2003	Current Year Activity	Cumulative to September 30, 2004
Revenues				
Local funds	\$ 13,515	\$ 13,515	\$ -	\$ 13,515
Expenditures				
Salaries	\$ 1,236	\$ 1,197	\$ -	\$ 1,197
Fringe benefits	399	619	-	619
	1,635	1,816	-	1,816
Consultants and contractors	10,890	10,889	-	10,889
Travel	-	-	-	-
Supplies and other	25	-	-	-
Indirect costs	965	810	-	810
Total expenditures	\$ 13,515	\$ 13,515	\$ -	\$ 13,515

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION**Special Revenue Fund****Muskegon County Home Repair - Converse - 2174****Statement of Revenues and Expenditures - Budget and Actual****Year Ended September 30, 2004**

	Amended Budget	Cumulative September 30, 2003	Current Year Activity	Cumulative to September 30, 2004
Revenues				
Local funds	\$ 1,662	\$ 1,662	\$ -	\$ 1,662
Expenditures				
Salaries	\$ 151	\$ 146	\$ -	\$ 146
Fringe benefits	49	77	-	77
	200	223	-	223
Consultants and contractors	1,340	1,340	-	1,340
Travel	-	-	-	-
Supplies and other	4	-	-	-
Indirect costs	118	99	-	99
Total expenditures	\$ 1,662	\$ 1,662	\$ -	\$ 1,662

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION

Special Revenue Fund

Muskegon County Home Repair - Gilmore - 2175

Statement of Revenues and Expenditures - Budget and Actual

Year Ended September 30, 2004

	Amended Budget	Cumulative September 30, 2003	Current Year Activity	Cumulative to September 30, 2004
Revenues				
Local funds	\$ 9,733	\$ 9,733	\$ -	\$ 9,733
Expenditures				
Salaries	\$ 888	\$ 863	\$ -	\$ 863
Fringe benefits	288	446	-	446
	1,176	1,309	-	1,309
Consultants and contractors	7,840	7,840	-	7,840
Travel	-	-	-	-
Supplies and other	23	-	-	-
Indirect costs	694	584	-	584
Total expenditures	\$ 9,733	\$ 9,733	\$ -	\$ 9,733

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION**Special Revenue Fund****Muskegon County Home Repair - Miesch - 2177****Statement of Revenues and Expenditures - Budget and Actual****Year Ended September 30, 2004**

	Amended Budget	Cumulative September 30, 2003	Current Year Activity	Cumulative to September 30, 2004
Revenues				
Local funds	\$ 4,948	\$ 4,947	\$ -	\$ 4,947
Expenditures				
Salaries	\$ 553	\$ 537	\$ -	\$ 537
Fringe benefits	179	278	-	278
	732	815	-	815
Consultants and contractors	3,768	3,768	-	3,768
Travel	-	-	-	-
Supplies and other	16	-	-	-
Indirect costs	432	364	-	364
Total expenditures	\$ 4,948	\$ 4,947	\$ -	\$ 4,947

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION**Special Revenue Fund****Muskegon County Home Repair - Young - 2180****Statement of Revenues and Expenditures - Budget and Actual****Year Ended September 30, 2004**

	Amended Budget	Cumulative September 30, 2003	Current Year Activity	Cumulative to September 30, 2004
Revenues				
Local funds	\$ 12,610	\$ 325	\$ -	\$ 325
Expenditures				
Salaries	\$ 1,150	\$ -	\$ -	\$ -
Fringe benefits	494	-	-	-
	1,644	-	-	-
Consultants and contractors	10,080	325	-	325
Travel	66	-	-	-
Supplies and other	140	-	-	-
Indirect costs	680	-	-	-
Total expenditures	\$ 12,610	\$ 325	\$ -	\$ 325

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION**Special Revenue Fund****Housing and Community Development - 2238****Statement of Revenues and Expenditures - Budget and Actual****Year Ended September 30, 2004**

	Amended Budget	Actual
Revenues		
Local funds	\$ 10,000	\$ 5,376
Expenditures		
Current		
Salaries	\$ 4,242	\$ 2,493
Fringe benefits	2,294	1,262
	6,536	3,755
Travel	225	-
Supplies and other	510	262
Indirect costs	2,710	1,340
Capital outlay	19	19
Total expenditures	\$ 10,000	\$ 5,376

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION**Special Revenue Fund****Economic Development Program 06-83-04765 - 5134****Statement of Revenues and Expenditures - Budget and Actual****Year Ended September 30, 2004**

	Amended Budget	Cumulative September 30, 2003	Current Year Activity	Cumulative to September 30, 2004
Revenues				
Federal grants	\$ 56,000	\$ 27,381	\$ 26,904	\$ 54,285
Local funds	18,667	9,127	8,969	18,096
Total revenues	\$ 74,667	\$ 36,508	\$ 35,873	\$ 72,381
Expenditures				
Current				
Salaries	\$ 34,209	\$ 16,622	\$ 17,281	\$ 33,903
Fringe benefits	17,809	7,567	8,749	16,316
	52,018	24,189	26,030	50,219
Travel	799	63	62	125
Supplies and other	1,868	976	357	1,333
Indirect costs	19,848	11,280	9,290	20,570
Capital outlay	134	-	134	134
Total expenditures	\$ 74,667	\$ 36,508	\$ 35,873	\$ 72,381

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION**Special Revenue Fund****Regional Industrial Parks and Sites Study 06-86-04709 - 5135****Statement of Revenues and Expenditures - Budget and Actual****Year Ended September 30, 2004**

	Amended Budget	Cumulative September 30, 2003	Current Year Activity	Cumulative to September 30, 2004
Revenues				
Federal grants	\$ 70,000	\$ 66,822	\$ 3,178	\$ 70,000
Local funds	10,000	7,820	2,180	10,000
Total revenues	\$ 80,000	\$ 74,642	\$ 5,358	\$ 80,000
Expenditures				
Current				
Salaries	\$ 35,377	\$ 34,581	\$ 2,612	\$ 37,193
Fringe benefits	19,391	15,743	1,322	17,065
	54,768	50,324	3,934	54,258
Travel	1,800	312	-	312
Supplies and other	3,730	538	-	538
Indirect costs	19,682	23,468	1,404	24,872
Capital outlay	20	-	20	20
Total expenditures	\$ 80,000	\$ 74,642	\$ 5,358	\$ 80,000

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION

Special Revenue Fund

Economic Development Program 06-83-04876 - 5136

Statement of Revenues and Expenditures - Budget and Actual

Year Ended September 30, 2004

	Amended Budget	Actual
Revenues		
Federal grants	\$ 55,628	\$ 41,281
Local funds	18,543	13,760
Total revenues	\$ 74,171	\$ 55,041
Expenditures		
Current		
Salaries	\$ 32,799	\$ 25,906
Fringe benefits	17,978	13,116
	50,777	39,022
Travel	1,670	88
Supplies and other	3,458	1,804
Indirect costs	18,066	13,927
Capital outlay	200	200
Total expenditures	\$ 74,171	\$ 55,041

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION**Special Revenue Fund****Area-Wide Air Quality Improvement Program 2003-0012 - 6314****Statement of Revenues and Expenditures - Budget and Actual****Year Ended September 30, 2004**

	Amended Budget	Actual
Revenues		
Federal grants		
Federal Highway Administration	\$ 92,500	\$ 88,554
Local funds	23,125	22,138
Total revenues	\$ 115,625	\$ 110,692
Expenditures		
Current		
Salaries	\$ 48,969	\$ 49,091
Fringe benefits	26,482	24,606
	75,451	73,697
Travel	2,602	761
Supplies and other	6,069	9,464
Indirect costs	31,123	26,390
Capital outlay	380	380
Total expenditures	\$ 115,625	\$ 110,692

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION**Special Revenue Fund****Comprehensive Transportation and Land Use Study - 2003-0024 - 6336****Statement of Revenues and Expenditures - Budget and Actual****Year Ended September 30, 2004**

	Amended Budget	Cumulative September 30, 2003	Current Year Activity	Cumulative to September 30, 2004
Revenues				
Federal grants				
Federal Highway				
Administration	\$ 60,000	\$ 1,905	\$ 54,615	\$ 56,520
State funds	15,000	26	14,104	14,130
Total revenues	\$ 75,000	\$ 1,931	\$ 68,719	\$ 70,650
Expenditures				
Current				
Salaries	\$ 16,941	\$ 903	\$ 13,867	\$ 14,770
Fringe benefits	9,161	411	7,021	7,432
	26,102	1,314	20,888	22,202
Consultants and contractors	35,000	-	39,850	39,850
Travel	900	-	12	12
Supplies and other	2,100	4	407	411
Indirect costs	10,791	613	7,455	8,068
Capital outlay	107	-	107	107
Total expenditures	\$ 75,000	\$ 1,931	\$ 68,719	\$ 70,650

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION**Special Revenue Fund****Polk Road Corridor Study - 6337****Statement of Revenues and Expenditures - Budget and Actual****Year Ended September 30, 2004**

	Amended		Actual	
	Budget			
Revenues				
Federal grants	\$	8,000	\$	6,800
Local funds		2,000		1,700
Total revenues				
	\$	10,000	\$	8,500
Expenditures				
Salaries	\$	500	\$	-
Fringe benefits		270		-
		770		-
Consultants and contractors		8,500		8,500
Travel		125		-
Supplies and other		283		-
Indirect costs		322		-
Total expenditures				
	\$	10,000	\$	8,500

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION**Special Revenue Fund****Rural Transit Study - 2003-0214 - 6338****Statement of Revenues and Expenditures - Budget and Actual****Year Ended September 30, 2004**

	Amended Budget	Cumulative September 30, 2003	Current Year Activity	Cumulative to September 30, 2004
Revenues				
State funds	\$ 60,000	\$ 29,473	\$ 30,527	\$ 60,000
Local funds	-	-	1,286	1,286
Total revenues	\$ 60,000	\$ 29,473	\$ 31,813	\$ 61,286
Expenditures				
Current				
Salaries	\$ 6,560	\$ -	\$ 6,557	\$ 6,557
Fringe benefits	3,595	-	3,320	3,320
	10,155	-	9,877	9,877
Consultants and contractors	45,059	29,139	18,120	47,259
Travel	392	144	188	332
Supplies and other	741	190	53	243
Indirect costs	3,602	-	3,524	3,524
Capital outlay	51	-	51	51
Total expenditures	\$ 60,000	\$ 29,473	\$ 31,813	\$ 61,286

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION**Special Revenue Fund****Asset Management Program - 2003-0024 - 6339****Statement of Revenues and Expenditures - Budget and Actual****Year Ended September 30, 2004**

	Amended Budget	Actual
Revenues		
State funds	\$ 39,762	\$ 30,162
Expenditures		
Current		
Salaries	\$ 14,656	\$ 12,912
Fringe benefits	7,925	6,537
	22,581	19,449
Consultants and contractors	5,158	3,228
Travel	779	242
Supplies and other	1,816	202
Indirect costs	9,328	6,941
Capital outlay	100	100
Total expenditures	\$ 39,762	\$ 30,162

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION**Special Revenue Fund****Metropolitan Transportation Program Management 2003-0012 - 6341****Statement of Revenues and Expenditures - Budget and Actual****Year Ended September 30, 2004**

	Amended Budget	Actual
Revenues		
Federal grants		
Federal Highway Administration	\$ 19,718	\$ 20,137
Federal Transit Administration	1,208	1,206
Local funds	5,019	4,767
Total revenues	\$ 25,945	\$ 26,110
Expenditures		
Current		
Salaries	\$ 10,988	\$ 11,874
Fringe benefits	5,942	6,262
	16,930	18,136
Travel	584	878
Supplies and other	1,362	621
Indirect costs	6,977	6,383
Capital outlay	92	92
Total expenditures	\$ 25,945	\$ 26,110

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION**Special Revenue Fund****Metropolitan Transportation Data Surveillance 2003-0012 - 6342****Statement of Revenues and Expenditures - Budget and Actual****Year Ended September 30, 2004**

	Amended Budget	Actual
Revenues		
Federal grants		
Federal Highway Administration	\$ 49,295	\$ 50,097
Federal Transit Administration	3,019	2,999
Local funds	12,548	11,858
Total revenues	\$ 64,862	\$ 64,954
Expenditures		
Current		
Salaries	\$ 27,470	\$ 31,488
Fringe benefits	14,855	15,943
	42,325	47,431
Travel	1,459	134
Supplies and other	3,406	218
Indirect costs	17,428	16,927
Capital outlay	244	244
Total expenditures	\$ 64,862	\$ 64,954

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION**Special Revenue Fund****Metropolitan Area Transportation Planning 2003-0012 - 6343****Statement of Revenues and Expenditures - Budget and Actual****Year Ended September 30, 2004**

	Amended Budget	Actual
Revenues		
Federal grants		
Federal Highway Administration	\$ 128,166	\$ 126,945
Federal Transit Administration	7,850	6,151
Local funds	32,626	39,675
Total revenues	\$ 168,642	\$ 172,771
Expenditures		
Current		
Salaries	\$ 71,423	\$ 79,735
Fringe benefits	38,624	40,372
	110,047	120,107
Travel	3,794	1,575
Supplies and other	7,601	6,355
Indirect costs	45,331	42,865
Capital outlay		
Direct	1,252	1,252
Indirect	617	617
Total expenditures	\$ 168,642	\$ 172,771

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION**Special Revenue Fund****Transit Planning - 2003-0012 - 6344****Statement of Revenues and Expenditures - Budget and Actual****Year Ended September 30, 2004**

	Amended Budget	Actual
Revenues		
Federal grants		
Federal Transit Administration	\$ 18,115	\$ 19,835
Local funds	9,705	8,155
Total revenues	\$ 27,820	\$ 27,990
Expenditures		
Current		
Salaries	\$ 12,223	\$ 13,509
Fringe benefits	6,700	6,840
	18,923	20,349
Travel	627	-
Supplies and other	1,462	275
Indirect costs	6,704	7,262
Capital outlay	104	104
Total expenditures	\$ 27,820	\$ 27,990

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION**Special Revenue Fund****FHWA Transportation Improvement Program - Master Agreement 2003-0012****Summary of Projects 6341, 6342, 6343 and 6344****Statement of Revenues and Expenditures - Budget and Actual****Year Ended September 30, 2004**

	Amended Budget	Actual
Revenues		
Federal grants		
Federal Highway Administration	\$ 197,179	\$ 197,179
Local funds	43,725	43,865
Total revenues	\$ 240,904	\$ 241,044
Expenditures		
Current		
Salaries	\$ 102,027	\$ 112,464
Fringe benefits	55,173	57,171
	157,200	169,635
Travel	5,420	2,364
Supplies and other	11,533	6,602
Indirect costs	64,760	60,452
Capital outlay		
Direct	1,114	1,114
Indirect	877	877
Total expenditures	\$ 240,904	\$ 241,044

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION**Special Revenue Fund****FTA Transportation Improvement Program - Master Agreement 2003-0012****Summary of Projects 6341, 6342, 6343 and 6344****Statement of Revenues and Expenditures - Budget and Actual****Year Ended September 30, 2004**

	Amended Budget	Actual
Revenues		
Federal grants		
Federal Transit Administration	\$ 30,192	\$ 30,191
Local funds	16,173	20,590
Total revenues	\$ 46,365	\$ 50,781
Expenditures		
Current		
Salaries	\$ 20,077	\$ 24,142
Fringe benefits	10,948	12,246
	31,025	36,388
Travel	1,044	223
Supplies and other	2,299	867
Indirect costs	11,680	12,985
Capital outlay		
Direct	137	138
Indirect	180	180
Total expenditures	\$ 46,365	\$ 50,781

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION**Special Revenue Fund****Regional Transportation - 2003-0024 - 6346****Statement of Revenues and Expenditures - Budget and Actual****Year Ended September 30, 2004**

	Amended		Actual	
	Budget			
Revenues				
State funds	\$	38,000	\$	38,000
Local funds		-		458
Total revenues	\$	38,000	\$	38,458
Expenditures				
Current				
Salaries	\$	16,783	\$	18,039
Fringe benefits		9,200		9,133
		25,983		27,172
Travel		855		663
Supplies and other		1,815		786
Indirect costs		9,207		9,697
Capital outlay		140		140
Total expenditures	\$	38,000	\$	38,458

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION**Special Revenue Fund****Hazard Mitigation Plan - FEMA-1346-DR-MI - 7001****Statement of Revenues and Expenditures - Budget and Actual****Year Ended September 30, 2004**

	Amended Budget	Cumulative September 30, 2003	Current Year Activity	Cumulative to September 30, 2004
Revenues				
Federal grants	\$ 150,000	\$ 52,324	\$ 68,567	\$ 120,891
Local funds	50,000	17,441	22,857	40,298
Total revenues	\$ 200,000	\$ 69,765	\$ 91,424	\$ 161,189
Expenditures				
Current				
Salaries	\$ 74,150	\$ 28,499	\$ 34,679	\$ 63,178
Fringe benefits	40,641	12,974	17,559	30,533
	114,791	41,473	52,238	93,711
Consultants and contractors	31,250	7,575	18,725	26,300
Travel	4,479	300	391	691
Supplies and other	8,185	1,077	1,158	2,235
Indirect costs	41,027	19,340	18,644	37,984
Capital outlay	268	-	268	268
Total expenditures	\$ 200,000	\$ 69,765	\$ 91,424	\$ 161,189

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION

Computation of Fringe Benefit Rate

Year Ended September 30, 2004

ACTUAL COST OF FRINGE BENEFITS

Federal insurance contribution act	\$	32,575
Health insurance		67,991
Dental insurance		11,007
Life insurance		1,226
Michigan unemployment compensation		2,549
Workers' compensation		2,112
		<u>117,460</u>
Annual leave		29,065
Sick leave - actual		18,793
Holiday leave		19,651
		<u>67,509</u>
Total fringe benefit cost	\$	<u>184,969</u>

COMPUTATION OF FRINGE BENEFIT BASE

Gross salaries	\$	430,153
Less leave paid		(67,509)
		<u>362,644</u>
Total fringe benefit base	\$	<u>362,644</u>

COMPUTATION OF ACTUAL FRINGE BENEFIT RATE

Total fringe benefits at cost	\$	184,969
Gross salaries net of leave paid	\$	362,644
		<u>51.01%</u>

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION

Computation of Indirect Cost Rate

Year Ended September 30, 2004

DISTRIBUTABLE INDIRECT COSTS

Salaries	\$	39,426
Fringe benefits		21,321
Supplies		2,241
Telephone		3,777
Building rent		47,404
Equipment rent		12,245
Consultants		9,000
Travel		14,485
Dues and subscriptions		5,060
Other		21,298

Total indirect costs	\$	176,257
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COMPUTATION OF DIRECT SALARY AND FRINGE BENEFIT BASE

Direct labor dollars		
Gross salaries	\$	430,153
Less		
Leave paid		(67,509)
Indirect salaries		(39,426)

Total direct labor dollars	323,218
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Direct fringe benefit dollars		
Fringe benefits		184,969
Less indirect fringe benefits		(21,321)

Total direct fringe benefit dollars	163,648
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Total direct salaries and fringe benefits	\$	486,866
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COMPUTATION OF INDIRECT COST RATE

Indirect cost	\$	176,257
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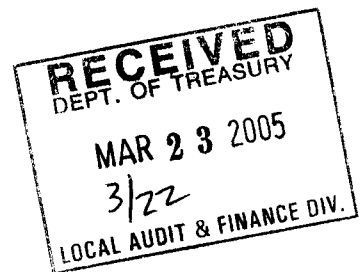
Direct salaries and fringe benefits	\$	486,866
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Indirect cost rate	36.20%
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**WEST MICHIGAN SHORELINE
REGIONAL DEVELOPMENT COMMISSION**

**INDEPENDENT AUDITORS' REPORTS
ON FEDERAL AWARDS**

September 30, 2004



WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners
West Michigan Shoreline Regional Development Commission
Muskegon, Michigan

We have audited the financial statements of the governmental activities and the major fund of West Michigan Shoreline Regional Development Commission as of and for the year ended September 30, 2004, which collectively comprise West Michigan Shoreline Regional Development Commission's basic financial statements and have issued our report thereon dated February 3, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered West Michigan Shoreline Regional Development Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether West Michigan Shoreline Regional Development Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, members of the board of commissioners, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Hoffman, Steensma & Plamondon, P.L.C.

February 3, 2005

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Commissioners
West Michigan Shoreline Regional Development Commission
Muskegon, Michigan

Compliance

We have audited the compliance of West Michigan Shoreline Regional Development Commission with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended September 30, 2004. West Michigan Shoreline Regional Development Commission's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of West Michigan Shoreline Regional Development Commission's management. Our responsibility is to express an opinion on West Michigan Shoreline Regional Development Commission's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about West Michigan Shoreline Regional Development Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on West Michigan Shoreline Regional Development Commission's compliance with those requirements.

In our opinion, West Michigan Shoreline Regional Development Commission complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended September 30, 2004.

Internal Control Over Compliance

The management of West Michigan Shoreline Regional Development Commission is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered West Michigan Shoreline Regional Development Commission's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal and Other Awards

We have audited the financial statements of the governmental activities and the major fund of West Michigan Shoreline Regional Development Commission as of and for the year ended September 30, 2004, which collectively comprise West Michigan Shoreline Regional Development Commission's basic financial statements and have issued our report thereon dated February 3, 2005. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal and other awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, members of the board of commissioners, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Hoffman, Steensma & Diamond, P.C.

February 3, 2005

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION**Schedule of Expenditures of Federal and Other Awards****Year Ended September 30, 2004**

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass- Through Grantor's Number	Approved Award/ Grant Amount
<u>U.S. Department of Commerce</u>			
Economic Development Administration			
Sec. 203 Grants for Planning Agencies			
Passed through Michigan Department of Education			
Economic Development Program	11.302	06-05-11052-96	\$ 26,000
Economic Development Program	11.302	06-05-11052-97	62,000
Economic Development Program	11.302	06-05-11052-98	55,000
Economic Development Program	11.302	06-83-04765	56,000
Regional Industrial Parks and Sites Study	11.302	06-86-04709	40,000
Economic Development Program	11.302	06-83-4876	55,628
Total Economic Development Administration			294,628
National Oceanic and Atmospheric Administration			
Coastal Zone Management Administration Awards			
Passed through Michigan Department of Environmental Quality			
Muskegon Areawide Plan	11.419	06-309-15	24,900
Total U.S. Department of Commerce			319,528
<u>U.S. Department of Housing and Urban Development</u>			
Community Development Block Grant - Small Cities Program			
Passed through Michigan Economic Development Corporation			
Muskegon Areawide Plan	14.219	MSC-200046-EDPA	30,000
<u>U.S. Department of Transportation</u>			
Federal Highway Administration			
Highway Planning and Construction (1)			
Passed through Michigan Department of Transportation			
Muskegon Areawide Plan	20.205	2003-0012	40,000
Metropolitan Transportation Planning 2002/2003	20.205	2003-0012	160,583
Alternative Fuel Program	20.205	2003-0012	25,000
Ozone Action Program	20.205	2003-0012	25,000
Regional Rideshare Program	20.205	2003-0030	37,500
North Central Muskegon County Transportation and Land Use Study	20.205	2003-0024	60,000
Areawide Air Quality Program	20.205	2003-0012	92,500
Metropolitan Transportation Planning 2003/2004	20.205	2003-0012	197,179
Polk Road Corridor Study	20.205	2003-0024	8,000
Total Federal Highway Administration			645,762
Federal Transit Administration			
Metropolitan Planning Grants			
Passed through Michigan Department of Transportation			
Metropolitan Transportation Planning 2002/2003	20.505	2003-0012	37,093
Metropolitan Transportation Planning 2003/2004	20.505	2003-0012	30,191
Total Federal Transit Administration			67,284
Total U.S. Department of Transportation			713,046

Accrued (Deferred) Revenue Oct. 1, 2003	Current Year Revenues Received		Current Year Revenues Expended		Accrued (Deferred) Revenue Sept. 30, 2004
	Federal Grants	Other Sources	Federal Grants	Other Sources	
\$ (146)	\$ -	\$ -	\$ -	\$ -	\$ (146)
(236)	-	-	-	-	(236)
(577)	-	-	-	-	(577)
(28,619)	-	8,968	26,904	8,968	(1,715)
(3,178)	-	2,180	3,178	2,180	-
-	55,628	13,760	41,281	13,760	(14,347)
(32,756)	55,628	24,908	71,363	24,908	(17,021)
6,398	6,398	-	-	-	-
(26,358)	62,026	24,908	71,363	24,908	(17,021)
6,090	6,090	-	-	-	-
2,201	2,201	-	-	-	-
35,840	35,840	-	-	-	-
6,088	6,088	-	-	-	-
4,342	4,342	-	-	-	-
8,351	8,351	-	-	-	-
1,905	28,675	14,104	54,615	14,104	27,845
-	56,335	22,138	88,554	22,138	32,219
-	154,300	43,865	197,179	43,865	42,879
-	-	1,700	6,800	1,700	6,800
58,727	296,132	81,807	347,148	81,807	109,743
10,504	10,504	-	-	-	-
-	29,835	20,591	30,191	20,591	356
10,504	40,339	20,591	30,191	20,591	356
69,231	336,471	102,398	377,339	102,398	110,099

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION**Schedule of Expenditures of Federal and Other Awards - Continued****Year Ended September 30, 2004**

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass- Through Grantor's Number	Approved Award/ Grant Amount
<u>U.S. Department of Homeland Security</u>			
Hazard Mitigation Grant Program			
Passed through Michigan Department of State Police			
Hazard Mitigation Planning Program	97.039	FEMA-1346-DR-MI	\$ 150,000
Total Federal Assistance			\$ 1,212,574

NOTES

1. Designates Major Program.
2. The accompanying Schedule of Federal and Other Awards is prepared on the accrual basis of accounting.

Accrued (Deferred) Revenue Oct. 1, 2003	Current Year Revenues Received			Current Year Revenues Expended		Accrued (Deferred) Revenue Sept. 30, 2004
	Federal Grants	Other Sources		Federal Grants	Other Sources	
\$ 14,829	\$ 80,819	\$ 22,856	\$	\$ 68,567	\$ 22,856	\$ 2,577
\$ 63,792	\$ 485,406	\$ 150,162	\$	\$ 517,269	\$ 150,162	\$ 95,655

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION

Summary Schedule of Prior Year Audit Findings

September 30, 2004

DEPARTMENT OF TRANSPORTATION, FEDERAL HIGHWAY ADMINISTRATION

FINDING 2003-1: Highway Planning and Construction

CFDA No. 20.205

Grant no. 2000-00736 Grant period: October 1, 2001 through September 30, 2002

Condition: Final Acceptance Report (FAR) expenditures did not reconcile to amounts reported in the schedule of expenditures of federal awards.

Recommendation: The auditor recommended that the FAR for the grant period ended September 30, 2002 be revised and resubmitted to the Michigan Department of Transportation. In addition, a policy should be implemented that requires a review of financial reports submitted for federal award programs that provides reasonable assurance that amounts in the financial reports reconcile to the amounts reported in the accounts underlying the financial statements and the schedule of expenditures of federal awards.

Current Status: The FAR for the grant period ended September 30, 2002 was resubmitted and the revised amounts did reconcile to amounts reported in the financial statements and the schedule of expenditures of federal awards as of and for the year ended September 30, 2002.

An additional review step was added to the reporting process in order to provide reasonable assurance that financial reports for federal awards will reconcile to amounts underlying the financial statements and the schedule of expenditures of federal awards. During the audit of the financial statements as of and for the year ended September 30, 2004, the Final Acceptance Reports for the grant periods ended September 30, 2003 and 2004 were tested. No additional findings were noted during this testing.

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION

Schedule of Findings and Questioned Costs

September 30, 2004

SUMMARY OF AUDITORS' RESULTS

1. An unqualified opinion was issued on the financial statements of West Michigan Shoreline Regional Development Commission.
2. There were no reportable conditions in internal control that were disclosed by the audit of the financial statements.
3. The audit did not disclose any noncompliance which was material to the financial statements of West Michigan Shoreline Regional Development Commission.
4. There were no reportable conditions in internal control over the major program that were necessary to disclose.
5. An unqualified opinion was issued on compliance for the major program.
6. The audit procedures did not disclose any audit findings which were necessary to disclose under Circular A-133.
7. The major program that was audited was the U.S. Department of Transportation's Federal Highway Administration Highway Planning and Construction Program Grant.
8. \$300,000 was the dollar threshold used to distinguish Type A and Type B programs.
9. West Michigan Shoreline Regional Development Commission qualified as a low-risk auditee.

FINDINGS RELATED TO THE FINANCIAL STATEMENTS

1. There were no findings related to the financial statements which were required to be reported.

FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

1. There were no findings or questioned costs for federal awards.